

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 TRSE-00 OMB-01 AID-20 MC-02 ACDA-19

EB-11 COME-00 CIAE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 USIA-15 DRC-01

/143 W

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P 030400Z JUL 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 4877

INFO SECDEF WASHDC PRIORITY

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C O R R E C T E D C O P Y (MRN 7940 VICE 7861)

E.O. 11652: N/A

TAGS: EGEN, ETRD, MASS, RP, US

SUBJECT: M-16 RIFLE FACILITY

1. UNDERSECRETARY OF NATIONAL DEFENSE SALIENTES
HAS PROVIDED EMBASSY COPY OF JUNE 27 TELEX FROM
COLT INDUSTRIES IN WHICH JUNE 13 LETTER FROM
MUNITIONS CONTROL TO COLT IS QUOTED AS APPROVING COLT-
GOP AGREEMENT SUBJECT TO THE FOLLOWING LIMITATIONS,
PROVISOS AND OTHER REQUIREMENTS:

(1) UNLESS LATER AMENDED THIS APPROVAL
EXPIRES JUNE 30, 1980.

(2) ONE COPY OF THE SIGNED AGREEMENT (OR
AMENDMENT) AS FINALLY CONCLUDED IS REQUIRED BY THE
DEPARTMENT.

(3) TECHNICAL ASSISTANCE AGREEMENT XIV, 1--
THIRD SENTENCE MUST BE CHANGED TO DELETE FIRST PHRASE
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AND WORDS "AT LEAST", AND WILL THEN READ "TOTAL

PRODUCTION IS TO BE 150,000..."

(4) TECHNICAL ASSISTANCE AGREEMENT XVII-- IN LAST SENTENCE DELETE "AND" BEFORE "DULY SIGNED" AND ADD "AND THE PRIOR WRITTEN APPROVAL OF THE DEPARTMENT OF STATE".

(5) TECHNICAL ASSISTANCE AGREEMENT XX, 2-- MODIFY FIRST SENTENCE TO READ "ALL TECHNICAL DATA... WILL BE USED ONLY FOR DEFENSIVE MILITARY PURPOSES IN THE PHILIPPINES". -AND DELETE ENTIRE SECOND SENTENCE.

(6) LICENSE AGREEMENT I, 3-- CHANGE TO READ "MILITARY USE MEANS USE BY LICENSEE FOR DEFENSIVE MILITARY PURPOSES IN THE PHILIPPINES."

(7) LICENSE AGREEMENT II, 1C --DELETE ENTIRELY.

(8) LICENSE AGREEMENT II, 2-- END PARAGRAPH WITH "RIGHTS." IN LINE 2 AND DELETE BALANCE OF PARAGRAPH.

(9) LICENSE AGREEMENT V, 2-- LINE 13 DELETE WORD "MINIMUM".

(10) LICENSE AGREEMENT V, 3 --DELETE ENTIRE FIRST SENTENCE.

(11) LICENSE AGREEMENT VIII, 1-- LINE 16 DELETE WORDS "MINIMUM QUANTITY OF".

(12) LICENSE AGREEMENT XIV-- LINE 4 DELETE WORD "MINIMUM".

(13) LICENSE AGREEMENT XXII, 5-- FIRST SENTENCE MUST BE CLARIFIED TO CLARIFY INTENT.

2. SALIENTES SAID GOP AGREEABLE TO GENERAL THRUST OF PROVISOS BUT WOULD PREFER THAT ARTICLE XIV OF TECHNICAL ASSISTANCE AGREEMENT (PROVISO 3) BE WORDED AS FOLLOWS:

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QUOTE ARTICLE XIV- PRODUCTION PLANS AND OBJECTIVES

1. THE PARTIES' INTENT IS THAT THE LICENSEE WILL BE ABLE TO MANUFACTURE OR HAVE MANUFACTURED FOR TI THE WEAPONS AND ULTIMATELY 100 PERCENT OF THE NON-STANDARD PARTS THEREFOR. THE EVENTUAL PRODUCTION RATE IS PLANNED TO BE APPROXIMATELY 2,500 RIFLES PER MONTH ON A ONE SHIFT BASIS. TOTAL PRODUCTION CONTEMPLATED UNDER THIS

TECHNICAL ASSISTANCE AGREEMENT IS 150,000 RIFLES (TO INCLUDE 5,000 RIFLES, OR SUCH OTHER LARGER QUANTITIES AS MAY BE MUTUALLY AGREED UPON, ASSEMBLED AT THE COLT PLANT), PLUS SPARE PARTS APPROXIMATELY EQUAL IN VALUE TO 22,500 RIFLES.

2. THE LICENSEE WILL NOT SELL, EXPORT, OR OTHERWISE TRANSFER TITLE TO OR POSSESSION OF RIFLES, COMPONENTS, PRODUCTION EQUIPMENT, DOCUMENTATION OR ANY OTHER ITEM PURCHASED OR RECEIVED FROM THE USG UNDER THE PROGRAM TO ANYONE NOT AN OFFICER OR EMPLOYEE OF THE LICENSEE WITHOUT THE WRITTEN CONSENT OF THE USG.

3. ALL COLT SERVICES UNDER THIS AGREEMENT, INCLUDING THE SERVICES AS PURCHASING AGENT IN ACCORDANCE WITH ARTICLE VII HEREOF, WILL BE PLANNED TO ACCORD WITH THE PLANS AND OBJECTIVES DESCRIBED IN PARAGRAPH 1.
END QUOTE.

3. EMBASSY BELIEVES SLIGHT MODIFICATION PROPOSED BY GOP PRESERVES FULLY INTENT OF MUNITIONS CONTROL TO REQUIRE PRIOR USG APPROVAL OF ANY PRODUCTION BEYOND 150,000 RIFLES AND 22,500 RIFLES SPARES EQUIVALENT AND URGES EXPEDITIOUS APPROVAL OF NEW ARTICLE XIV.

4. PLEASE REPLY BY PRIORITY CABLE.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MUNITIONS INDUSTRY, AGREEMENTS, TECHNICAL ASSISTANCE, ARMS PRODUCTION, MUNITIONS CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA07940
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Document Unique ID: 00
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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EO Systematic Review
30 JUN 2005

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TAGS: EGEN, ETRD, MASS, RP, US, COLT INDUSTRIES
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005